

Message Text

LIMITED OFFICIAL USE

PAGE 01 BRASIL 04470 021332Z

ACTION AGRE-00

INFO OCT-01 ARA-06 ISO-00 EB-07 COME-00 STR-04 OMB-01

TRSE-00 ITC-01 AID-05 CIAE-00 INR-07 NSAE-00 /032 W

-----021934Z 036206 /44

R 021215Z JUN 77

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC 1974

LIMITED OFFICIAL USE BRASILIA 4470

EO 11652 NA

TAGS EAGR EPAP BR

SUBJECT: EXPORT SUBSIDIES FOR CORN AND ORANGE CONCENTRATE

BEGIN UNCLASSIFIED

1. A SUBSIDY SCHEME FOR CORN EXPORTS WAS ESTABLISHED BY THE GOB, EFFECTIVE MAY 19. THE SUBSIDY IS 8 PERCENT OF FOB PRICES UP TO US\$100 PER TON UNTIL JULY 31. ABOVE THIS LEVEL THE EXPORTER WILL RECEIVE A MAXIMUM OF US\$8 PER TON REGARDLESS OF THE PRICE. THE SUBSIDY, AS WELL AS THE CORRESPONDING MAXIMUM PAYMENT FOR PRICES OVER US\$100/TON, WILL BE REDUCED GADUALLY OVER THE REMAINDER OF 1977. IN AUGUST IT WILL BE 6 PERCENT OR US\$6.00

,
IN SEPTEMBER 5 PERCENT OR US\$5.00, IN OCTOBER 4 PERCENT OR US\$4.00, IN NOVEMBER 3 PERCENT OR US\$3.00 AND IN DECEMBER 2 PERCENT OR US\$2.00.

2. THE SUBSIDY WAS PROPOSED BY THE AGRICULTURE MINISTRY AS A MEANS OF OFFSETTING LOW INTERNATIONAL PRICES AS COMPARED WITH INTERNAL PRICES. AGATT ESTIMATES THAT BRAZIL WILL HAVE BETWEEN 2.0 AND 2.5 MILLION TONS OF CORN AVAILABLE FOR EXPORT DURING THE REMAINDER

OF 1977. THE GOB IS ANXIOUS TO CONTINUE CORN EXPORTS TO ESTABLISH THEMSELVES AS A RELIABLE SUPPLIER FOR THE FUTURE.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BRASIL 04470 021332Z

3. EXPORT SUBSIDIES FOR FROZEN ORANGE JUICE CONCENTRATE (FOJC) AND CITRUS PULP WERE REDUCED FROM 28 PERCENT TO 20 PERCENT EFFECTIVE MAY 15. THE ICM/IPI TAX CREDITS, PREVIOUSLY 13 AND 15 PERCENT RESPECTIVELY, ARE NOW EACH 10 PERCENT. END UNCLASSIFIED.

BEGIN LIMITED OFFICIAL USE

4. SOURCES WITHIN THE GOB REVEALED THAT THE REDUCTION IN IPI/ICM CREDIT CAME AFTER STUDIES SHOWED WINDALL PROFITS WERE BEING MADE BY EXPORTERS UNDER CURRENT WORLD MARKET CONDITIONS. THESE STUDIES WERE DONE BY THE FINANCE MINISTRY AND CACEX IN CONJUNCTION WITH THE SAO PAULO STATE GOVERNMENT.

5. EXPORT INCENTIVES ARE VIEWED BY THE GOB AS A FLEXIBLE TOOL THAT CAN BE APPLIED OR WITHDRAWN AS MARKET CONDITIONS INDICATE. SHOULD WORLD PRICES FOR FOJC FALL, THE GOB WOULD LIKELY REINSTATE A HIGHER EXPORT SUBSIDY. END LIMITED OFFICIAL USE.
CRIMMINS

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CORN, EXPORT SUBSIDIES, PRICE CONTROLS, CITRUS FRUITS
Control Number: n/a
Copy: SINGLE
Sent Date: 02-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977BRASIL04470
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770197-0106
Format: TEL
From: BRASILIA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770699/aaaadiyw.tel
Line Count: 73
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 831cc486-c288-dd11-92da-001cc4696bcc
Office: ACTION AGRE
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 02-Dec-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2310681
Secure: OPEN
Status: NATIVE
Subject: EXPORT SUBSIDIES FOR CORN AND ORANGE CONCENTRATE BEGIN UNCLASSIFIED
TAGS: EAGR, EPAP, ETRD, BR
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/831cc486-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009